

Week of January 31, 2000

Vol. XXIX, #1, January 28, 2000

J.C. Watts, Jr.  
Chairman  
4th District, Oklahoma

## Monday, January 31

*House Meets at 12:30 a.m. for Morning Hour and 2:00 p.m. for Legislative Business  
(No Votes Before 6:00 p.m)*

### \*\* Five Suspensions

H.Con.Res. 221	Reauthorizing the Printing of Certain Publications.....	p.1
H.Con.Res. 244	Permitting the Use of the Capitol Rotunda to Commemorate Victims of the Holocaust.....	p.3
H.Res. 407	Permitting Official Photographs of the House While in Session.....	p.4
H.R. 2130	Hillory J. Farias Date-Rape Prevention Drug Act (Considering Senate Amendments).....	p.5
S. 1733	Electronic Benefit Transfer Interoperability and Portability Act.....	p.8

## Tuesday and Wednesday, February 1-2

*Tuesday, House Meets at 9:30 a.m. for Morning Hour and 11:00 a.m. for Legislative Business  
Wednesday, House Meets at 10:00 a.m. for Legislative Business*

### \*\* Three Suspensions

H.R. 764	Child Abuse Prevention and Enforcement Act (Considering Senate Amendments).....	p.10
H.R. 149	Omnibus Parks Technical Corrections Act (Considering Senate Amendments)..	p.12
☞H.Res. ____	Honoring the Contributions of Catholic Schools	
H.R. 1838	Taiwan Security Enhancement Act.....	p.14
H.R. 2005	Workplace Goods Job Growth and Competitiveness Act.....	p.17

## Thursday and Friday, February 3-4

*No Votes Expected*

☞At press time, this resolution had not been introduced and information was unavailable. Details on the measure will be provided in Tuesday's *FloorPrep*.

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Brian Fortune: *Managing Editor*

Kevin Smith: *Senior Legislative Analyst*

Scott Galupo, Brendan Shields,  
Heather Valentine & Michelle Yahng:  
*Legislative Analysts*

House  
REPUBLICAN  
Conference

Legislative  
Digest

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# Reauthorizing the Printing of Certain Publications (Considering Senate Amendments)

## H.Con.Res. 221

Committee on House Administration  
No Report Filed  
Referred to the House on November 22, 1999

### Floor Situation:

The House is scheduled to consider Senate amendments to H.Con.Res. 221 under suspension of the rules on Monday, January 31, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

### Summary:

H.Con.Res. 221, as amended by the Senate, authorizes the Joint Committee on Printing (JCP) to reprint its customary number of copies available to the public of the publications below. In addition, it may also print the following number of additional copies for the legislative branch:

- \* “Our American Government.” The JCP may print either 550,000 total copies (440,000 for the House; 100,000 for the Senate, and 10,000 for the JCP) or a number of copies that does not exceed \$412,873 in printing costs (with distribution to be allocated in the same proportion as described above with each member receiving at least one copy);
- \* Document-Sized Constitution. The JCP may print either 550,000 total copies (440,000 for the House; 100,000 for the Senate, and 10,000 for the JCP) or a number of copies that does not exceed \$393,316 in printing costs;
- \* “How Our Laws Are Made.” The JCP may print either 550,000 total copies (440,000 for the House; 100,000 for the Senate, and 10,000 for the JCP) or a number of copies that does not exceed \$200,722 in printing costs;
- \* Pocket-Sized Constitution. The JCP may print either 550,000 total copies (440,000 for the House; 100,000 for the Senate, and 10,000 for the JCP) or a number of copies that does not exceed \$115,208 in printing costs;
- \* “Capitol Builder: The Shorthand Journals of Captain Montgomery C. Meigs, 1853-1861.” The JCP may print either 1,500 copies total for the Senate, House, and the Architect of the Capitol or a number of copies that does not exceed \$31,500; and
- \* “The United States Capitol: A Chronological of Construction, Design, and Politics.” The JCP may print either 6,500 total copies for the Senate, House, and Architect of the Capitol to be determined by the Secretary of the Senate or an amount that does not have a production cost of more than \$143,000.

The Joint Committee on Printing has been the oversight committee for government printing and dissemination for more than 150 years. The committee is composed of senior members of the House Administration Committee and the Senate Committee on Rules and Administration.

The House passed H.Con.Res. 221 by voice vote on November 9, 1999. The Senate amended and passed the measure by unanimous consent on November 19.

### **Committee Action:**

The resolution was not considered by a House committee.



*Heather Valentine, 226-7860*

# Permitting Use of the Capitol Rotunda to Commemorate Victims of the Holocaust

**H.Con.Res. 244**

Committee on House Administration  
No Report Filed  
Introduced by Mr. Thomas on January 28, 2000

## Floor Situation:

The House is scheduled to consider H.Con.Res. 244 under suspension of the rules on Monday, January 31, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.Con.Res. 244 authorizes the use of the Capitol Rotunda on May 4, 2000, for a ceremony that is part of the Days of Remembrance Commemoration to honor victims of the Holocaust. The physical preparations for the ceremony must be carried out in accordance with the plans of the Architect of the Capitol.

The U.S. Holocaust Memorial Council created the Days of Remembrance ceremony to lead the nation in civic commemorations and to encourage observances throughout the country. The internationally celebrated day comes from the Hebrew calendar and corresponds to the 27<sup>th</sup> day of Nisan, the day on which Israel commemorates the victims of the Holocaust.

## Committee Action:

The bill was not considered by a House committee.



*Heather Valentine, 226-7860*

# **Permitting Official Photographs of the House While in Session**

## **H.Res. 407**

Committee on House Administration  
No Report Filed  
Introduced by Mr. Thomas on January 27, 2000

### **Floor Situation:**

The House is scheduled to consider H.Res. 407 under suspension of the rules on Monday, January 31, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

### **Summary:**

H.Res. 407 authorizes official photographs of the 106<sup>th</sup> Congress to be taken when the House is in session at a time designated by the Speaker of the House. Payment for the costs associated with taking and distributing the pictures will be taken from the appropriate House of Representatives accounts.

### **Committee Action:**

The resolution was not considered by a House committee.



*Heather Valentine, 226-7860*

# Hillory J. Farias Date-Rape Prevention Drug Act (Considering Senate Amendments) H.R. 2130

Committee on Commerce  
H.Rept. 106-340, Pt. I  
Introduced by Mr. Upton on June 10, 1999

## Floor Situation:

The House is scheduled to consider Senate amendments to H.R. 2130 under suspension of the rules on Monday, January 31, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority for passage.

## Summary:

H.R. 2130, as amended by the Senate, enhances law enforcement efforts to control the distribution and abuse of certain “date-rape” drugs. Specifically, the bill amends the 1970 Controlled Substances Act (*P.L. 91-513*) to list (1) Gamma Hydroxybutyric Acid (GHB), also known as *ecstasy*, (a central nervous system depressant) as a Schedule I drug, the DEA’s most regulated drug category; and (2) Gamma Butyrolactone (GBL, the chemical precursor to GHB) as a List I chemical, the DEA’s most regulated chemical category.

The bill also requires the Department of Health and Human Services Secretary to develop and implement a national education campaign to inform young people, law enforcement personnel, educators, school nurses, rape victim counselors, and hospital emergency room personnel on (1) the dangers of date-rape drugs; (2) the criminal penalties for abusing and selling such drugs; (3) recognizing the symptoms of date-rape drug ingestion (including symptoms of sexual assault); and (4) how to help an affected individual. In addition, the secretary must establish an advisory committee to make recommendations to the secretary on the plan. Finally, the measure directs the secretary to submit to Congress annual estimates on the number of cases of abuse of date-rape drugs.

The Senate bill differs from the original House bill in a few major areas. The Senate measure does not include provisions regarding the drug Ketamine, which has been scheduled by the administration since the House passed the measure. It also mandates that the Attorney General create a special unit in the DEA to assess the threat posed by GHB and other date-rape drugs, identify resources currently allocated to combat the threat, and submit a report recommending the reallocation of resources.

## Background:

The 1970 Controlled Substances Act (*P.L. 91-513*) restricts the use and distribution of certain drugs (heroin, amphetamines, cocaine, etc.) by scheduling these drugs as controlled substances. The schedule is based on an eight-factor analysis which includes the drug’s (1) potential for abuse, (2) scientific evidence

of pharmacological effects, (3) current scientific knowledge, (4) history and current patterns of abuse, (5) significance of abuse, (6) risk to public health, (7) psychic or physiological dependence, and (8) immediate precursor.

The CSA authorizes the classification of particular drugs into five categories of controlled substances, known as schedules, which determine the public availability of the drug, storage and prescription requirements, and penalties for their misuse. The CSA classification process requires the Drug Enforcement Agency (DEA) to submit data to HHS and request that HHS conduct a medical and scientific evaluation of the substance in question. HHS then must make a recommendation as to whether and in what schedule the substance should be controlled. If the DEA finds that these facts and all other relevant data constitute substantial evidence of potential for abuse, it may institute a rule-making proceeding to add a substance to a schedule or transfer it between schedules.

### **Gamma Hydroxybutyrate (GHB)**

GHB is a central nervous system depressant that is not approved for medical use in the United States. The FDA has issued advisories declaring GHB unsafe and illicit, except under FDA-approved, physician-supervised protocols. Although GHB has not been approved by FDA for marketing, it is currently being investigated for use in treating narcolepsy under the FDA's Orphan Drug program. GHB abuse is prevalent primarily in the youth nightclub and party subculture, where it is becoming increasingly popular under its street name, *ecstasy*. The DEA has documented over 4,000 overdoses and law enforcement encounters with GHB, and 32 GHB-related deaths since 1990. Recently, five Michigan teenagers were hospitalized and slipped into comas after sharing a drink that was laced with GHB at a party.

GHB is rapidly metabolized by the body, making it difficult to detect in blood or urine tests. This, coupled with the general lack of knowledge about GHB within the health and law enforcement communities, ensures that the actual number of people who have died from GHB (either by consumption or while driving under the influence) could be much higher. Seventeen sexual assaults associated with GHB have been documented, while poison control databases list over 600 GHB cases in 1996 and over 900 in 1997. According to the Drug Abuse Warning Network (DAWN), GHB-related hospital emergency department episodes increased from 20 in 1992 to 629 in 1996.

GHB is not a controlled substance under the federal CSA; however, 20 states have laws controlling GHB. Closely related to GHB is its precursor, GBL (gamma-butyrolactone), which the body converts into GHB when it is consumed. In states where GHB is a Schedule I or II controlled substance, GBL may be considered a controlled substance "analog" under state law because it is pharmacologically substantially similar (in terms of its pharmacological makeup and potential for abuse) to GHB. Products containing GBL are readily available for sale on the Internet and in gyms and health food stores. In addition, GBL is a chemical commonly used as a paint stripper as well as a base chemical for other solvents used for cleaning engines or wood. On January 21, 1999, the FDA warned consumers not to purchase or consume products that contain GBL. The FDA also asked the companies that manufacture products containing GBL, which are intended for human consumption, to voluntarily recall them. The recall was based on 55 adverse health effects, including unconsciousness, coma, respiratory depression, seizures, vomiting, and slowed heart rate. Four companies agreed to cease manufacturing and distribution of GBL, but only three agreed to recall their products. On February 25, 1999, the Centers for Disease Control publicized 41 adverse event reports associated with GBL it had recently received from three states.



**Costs/Committee Action:**

CBO estimates that implementing H.R. 2130 will cost less than \$500,000 in FY 2000 and about \$7 million over the FY 2001-2004 period, subject to the availability of appropriated funds. Because the bill may affect direct spending and receipts, pay-as-you-go procedures apply.

The House originally passed H.R. 2130 by a vote of 423-1 on October 12, 1999. The bill was further amended in the Senate by substituting the text of S. 1561 by unanimous consent on November 19, 1999.



*Brendan Shields, 226-0378*

# Electronic Benefit Transfer Interoperability and Portability Act

## S. 1733

Committee on Agriculture  
No Report Filed  
Referred to the House on October 14, 1999

### Floor Situation:

The House is scheduled to consider S. 1733 under suspension of the rules on Monday, January 31, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

### Summary:

S. 1733 amends the 1977 Food Stamp Act (*P.L. 95-113*) to require the U.S. Department of Agriculture (USDA) to set specific standards for states with electronic benefit transfer (EBT) systems so that food stamp participants may redeem their benefits in neighboring states. Under the state food coupon system, participants may redeem benefits in any retail food store. States want to apply this same principle to the EBT system of delivery of food assistance benefits.

The Food Stamp Act already requires that all states issue food stamp benefits under an EBT system by 2002. S. 1733 requires the USDA, within seven months of enactment, to adopt a uniform national standard for interoperability and portability so that state-issued EBT cards may be used in other states. The standards must be based on the standards used by a majority of states, thereby giving the USDA flexibility in writing the standards. The bill also establishes exemptions for states if they have entered into EBT contracts using other standards. It allows waivers for states that operate “smart card” food stamp systems instead of debit card systems, as most states use. In addition, S. 1733 requires the USDA to pay 100 percent of the costs of adopting these standards, up to a maximum of \$500,000 annually.

### Background:

Electronic Benefit Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government benefits from a federal account to a retailer account to pay for products received. EBT is currently used in many states to issue food stamps and other benefits (about 47 percent of food stamp benefits are currently being issued by EBT). State food stamp agencies work with contractors to procure their own EBT systems for delivery of Food Stamp and other state-administered benefit programs.

In EBT systems food stamp recipients apply for their benefits by filling out a form at their local food stamp office. Once eligibility and benefit levels have been determined, an account is established in the participant’s name, and food stamp benefits are deposited electronically in the account each month. A plastic card, similar to a bank debit card, is issued along with a personal identification number (PIN) to access the account. Recipients are offered the opportunity to change the PIN number at any time, and are offered ongoing training if they have any problems accessing the system. All but two states have systems that use magnetic stripe cards and “on line” authorization for transactions.

Currently, however, EBT benefits are not portable. These benefits are administered at the state level and there is no codified nation-wide exchange system. For example, a resident of a state who receives these benefits lives next to a grocery store. However, if this grocery store lies within the bounds of another state, the person's benefits may be invalid.

### **Costs/Committee Action:**

An official CBO cost estimate was unavailable at press time. The Senate passed the measure by unanimous consent on November 19, 1999. The House Agriculture Committee did not consider this bill.



*Brendan Shields, 226-0378*

# Child Abuse Prevention and Enforcement Act (Considering Senate Amendments) H.R. 764

Committee on the Judiciary  
H.Rept. 106-360  
Referred to the House on November 22, 1999

## **Floor Situation:**

The House is expected to consider Senate amendments to H.R. 764 under suspension of the rules on Tuesday, February 1, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## **Summary:**

H.R. 764, as modified by the Senate, authorizes funding under the 1998 Crime Identification Technology Act (*P.L. 105-251*) to improve the capability of the criminal justice system to deliver timely and accurate criminal history record information to child welfare organizations that assess risk related to protecting children against physical and sexual abuse and placing children in foster care. The House-passed bill had authorized funding from a different program.

In addition, the measure adds as new permissible state uses for federal grants to (1) enforce child-abuse and neglect laws and programs designed to prevent child abuse and neglect; and (2) establish or support cooperative programs between law enforcement and media organizations, to collect, record, and disseminate information useful in identifying and apprehending suspected criminal offenders. Finally, the bill authorizes up to \$20 million for child abuse prevention and treatment grants (currently, these programs receive \$10 million) when money deposited in the Crime Victims Fund exceeds the FY 1998 level of \$363 million (*i.e.*, the bill targets an additional \$10 million to child abuse programs if sufficient funds become available). This financing mechanism is different from the House-passed measure, which simply doubled the amount of federal funds earmarked for these programs from \$10 million to \$20 million.

The major difference between the House-passed version of H.R. 764 and the Senate amendment is the inclusion of H.R. 1915 (“Jennifer’s Law”), which the House passed by a vote of 370-4 on June 7, 1999. Specifically, the measure authorizes the Attorney General to provide \$2 million for each of FYs 2000-2002 for states to cover the costs associated with entering complete files of unidentified victims into both the national Missing Persons File and the Unidentified Persons File. In order to be eligible for grants under the bill, a state must include in its application for a grant award assurances that it will (1) report to the National Crime Information Center (NCIC) and, when possible, to law enforcement authorities throughout the state regarding every deceased unidentified person found in its jurisdiction; (2) enter a complete profile of an unidentified person, including dental records, x-rays, and fingerprints, if available; (3) enter the NCIC number or other appropriate number assigned to the unidentified person on his or her death certificate; and (4) retain all of an unidentified person’s records until the person is identified.

The House passed H.R. 764 by a vote of 425-2 on October 5, 1999. The Senate amended the bill and passed it by unanimous consent on November 19.

## **Background:**

In the state of Ohio alone, a child is reported abused or neglected every three minutes. The U.S. Advisory Board on Child Abuse and Neglect reports that 2,000 children die each year as a result of abuse or neglect. The U.S. Department of Health & Human Services reported in 1994 that there were 992,617 substantiated cases of child abuse and neglect in the U.S. Based on an annual survey of child welfare officials in all 50 states and the District of Columbia, over three million children were reported as victims of child abuse and neglect in 1997. This figure represents a 1.7 percent increase over the previous year. A similar increase in the number of confirmed cases also occurred, with over one million new cases entering child protective caseloads in 1998. A study conducted this year suggests that death by child abuse is underreported by as much as 60 percent, and that death at the hands of a parent or caregiver is a greater risk for infants than dying from an accident-related injury.

“Jennifer’s Law” is named after Jennifer Wilmer, who has been missing since September 13, 1993. Jennifer’s mother, Susan, has been an aggressive advocate for consolidating federal databases on missing and unidentified persons. The National Crime Information Center (NCIC), an FBI agency, created the Missing Persons File in 1975. The Unidentified Persons File, an NCIC database, was created eight years later. Local law enforcement agencies enter information into the Missing Persons File, but do not report cases to the Unidentified Persons File—hence the data are not being cross-referenced, even though the technology to do so exists. The measure will enable officials to cross-reference the two files.



*Kevin Smith, 226-7862*

# Omnibus Parks Technical Corrections Act (Considering Senate Amendments) H.R. 149

Committee on Resources  
H.Rept. 106-17  
Referred by the Senate on November 22, 1999

## Floor Situation:

The House is scheduled to consider Senate amendments to H.R. 149 under suspension of the rules on Tuesday, February 1, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.R. 149, as amended by the Senate, makes numerous technical amendments to certain statutes affecting public lands. Most of these amendments correct spelling and punctuation errors or make other non-substantive changes to the original laws. Specifically, the measure makes technical corrections to the following statutes:

- \* 1996 Omnibus Parks and Public Lands Management Act (*P.L. 104-333*);
- \* 1998 Arches National Park Expansion Act (*P.L. 105-329*)
- \* 1998 Dutch John Federal Property Disposition and Assistance Act (*P.L. 105-326*);
- \* 1998 Oregon Public Lands Transfer and Protection Act (*P.L. 105-321*); and
- \* 1998 Automobile National Heritage Area Act (*P.L. 105-355*).

In each Congress, small mistakes and errors are made in drafting and printing the final language of a bill, such as misdesignating a map or spelling a word incorrectly. This legislation responds to a list of technical mistakes submitted to Congress by the administration. The measure is considered non-controversial. The Senate amendment makes additional minor technical corrections to the bill.

The House passed H.R. 149 by voice vote on February 23, 1999. The Senate amended and passed the bill on November 19 by unanimous consent.

## Costs/Committee Action:

CBO estimates that enactment of H.R. 149 will have no significant impact on the federal budget. Because the bill may affect direct spending, pay-as-you-go procedures apply; however, CBO estimates that any such effect will be negligible.

The Resources Committee reported the bill by voice vote on February 3, 1999.



*Heather Valentine, 226-7860*

# Taiwan Security Enhancement Act

## H.R. 1838

Committee on International Relations  
H.Rept. 106-423  
Introduced by Mr. Delay *et al.* on May 18, 1999

### Floor Situation:

The House is scheduled to consider H.R. 1838 on Tuesday, February 1, 2000. The Rules Committee is scheduled to meet on the bill at 6:30 p.m. on Monday, January 31, 1999. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

### Summary:

H.R. 1838 mandates that the Defense Secretary and various military service chiefs reserve positions in the National Defense University and other military educational facilities (*e.g.*, U.S. Military Academy, U.S. Naval Academy, and Air Force Academy) for military officers of Taiwan. In addition, the measure calls on the Secretary of State to take into account the special status of Taiwan and make information concerning defense services fully available in a timely manner to the Taiwan government.

Secondly, at the request of the Defense Security Cooperation Agency, the bill increases the technical staff at the American Institute in Taiwan. The bill specifies that funding for this staff increase will come from money authorized for the Department of Defense under the Arms Export Control Act (*P.L.* 90-629). The bill also requires the president to submit a report to Congress, beginning 60 days after the next round of arms talks between the U.S. and Taiwan, (1) detailing any request by Taiwan to purchase defense articles and services during the one-year annual report; (2) explaining why Taiwan needs these defense items; and (3) justifying any decision to reject, postpone, or modify the request.

H.R. 1838 also finds that any artificial limits on arms sales pursuant to the 1982 Communiqué between the U.S. and the People's Republic of China, which established a ceiling on U.S. arms sales on Taiwan with the purpose of gradually reducing arms sales to the island, would violate the Taiwan Relations Act. The bill requires the Defense Secretary to develop a program, no later than 210 days after enactment of the bill, to enhance operational training and exchanges between the Taiwanese and U.S. militaries regarding threat analysis, force planning, and operational methods. The report must be submitted 30 days before implementation to Congress in both classified and unclassified forms. Nothing in this section of the bill supersedes or modifies the Arms Export Control Act regarding the sale of any defense article or defense service.

The bill requires the Defense Secretary to report to Congress, in both unclassified and classified forms, on the security situation in the Taiwan Strait no later than 45 days after enactment of the bill and annually thereafter. The report must analyze military forces mounted against Taiwan from China, evaluate any recent additions to China's offensive military capabilities, and analyze any naval, ballistic missile, or air threats, as well as the threat to military and civilian communication links to Taiwan. Finally, the report must summarize steps taken by the Taiwanese military to address the country's security situation.



In addition, the bill requires the Defense Secretary to certify to the appropriate congressional committees (*i.e.*, the House Committees on International Relations and Armed Services and the Senate Committees on Foreign Relations and Armed Services) that, no later than 180 days after enactment, direct secure communications exist between the U.S. and Taiwanese armed forces.

Finally, the bill requires the Defense Secretary to report, no later than 180 days after enactment and updated as appropriate, to the chairmen and ranking minority members of the appropriate congressional committees on the ability of the U.S. to successfully respond to military actions in the Asia-Pacific region where U.S. interests in Taiwan are at risk. The report must describe the operations and tactics used to achieve U.S. military objectives in the region and as well as the Defense Secretary's confidence in the U.S. military's capability to successfully respond to actions in Taiwan. To prepare this report, the Defense Secretary must use the resources and expertise of relevant commands, military departments, combat support agencies, and the defense units of the intelligence community.

## **Background:**

The Republic of China was formally established on January 1, 1912. The new government emerged out of the Wuchang Revolution in October 1911, a successful effort to replace the weak Ching dynasty. During the 1930's, the government under Chiang Kai-shek fought opposition from the Communists under Mao Tse-tung. The struggle between the two groups paused upon the invasion of China, when Japan sought to expand its sphere of influence in the Pacific. Following the conclusion of World War II, the Chinese Civil War continued and Taiwan returned to Chinese control. In 1949, near the end of the Chinese Civil War, Chinese nationalists under Chang Kai-shek fled west across the Taiwan Strait to the island of Taiwan. Thereafter, the government of the Republic of China existed on Taiwan and the People's Republic of China existed on the mainland.

The essence of U.S. relations with both the People's Republic of China and Taiwan is the "one China" policy. For many decades, the U.S. government recognized the Nationalist government in Taiwan as the official government of China. However, after President Nixon's historic visit to mainland China to normalize relations between the U.S. and China, the drafters of the 1972 Shanghai Communiqué forged a policy that defined the status of Taiwan. China firmly held to its opposition to any movement that would make Taiwan a separate entity from Mainland China. In the agreement, the United States acknowledged that there is one China across either side of the Taiwan Strait and that Taiwan was a part of China. Under the Carter Administration, the 1979 Normalization Communiqué recognized the government of the People's Republic of China as the sole legal Government of China, while maintaining unofficial relations with the people of Taiwan. This action withdrew diplomatic recognition of the government of Taiwan as the legitimate government of China; however, no conclusions were made as to the ultimate status of Taiwan.

The actions of the Carter Administration greatly angered both parties in Congress, responding immediately with the passage of the Taiwan Relations Act (*P.L.* 96-8). This law defined the manner in which the United States would conduct relations with Taiwan. Furthermore, it specifically outlined a process by which the president must coordinate actions with Congress on how to provide for the defense needs of Taiwan. Since enactment of this law, the United States has continued to sell defensive weapons to Taiwan which have allowed it to maintain autonomy from the People's Republic of China.

In recent years, the People's Republic of China has continually threatened Taiwan with its use of the military across the Taiwan Strait. In 1996, China performed massive military exercises across the strait from Taiwan and fired ballistic missiles near the island. This action was meant to intimidate the people of Taiwan while they were holding democratic elections. Taiwan hopes to expand its defensive capabilities through purchases of missile-tracking destroyers and the implementation of a Patriot-based regional missile-defense system.

The president of Taiwan, Lee Teng-hui, recently announced he wanted to establish "special state-to-state" relations with China, signaling a break from the "one China" policy. This announcement was angrily rejected by Beijing and criticized by many nations including the United States. The People's Republic of China responded to the announcement with threats of war and revealing that it had neutron bomb technology. Although the President of Taiwan reverted to his "one China" policy on July 21, the government insists on China treating Taiwan as an equal in future negotiations.

Responding to the Clinton Administration's sale of advanced early warning radars to Taiwan in April 1999, the Chinese government further warned the U.S. by claiming that China would "respond strongly" if the Clinton Administration sold advanced weapons or technology to Taiwan.

### **Costs/Committee Action:**

CBO estimates that enactment of H.R. 1838 will have no significant effect on federal spending. Because the bill may affect direct spending, pay-as-you-go procedures apply; however, CBO estimates that the net effect of any increase in collections and outlays will not be significant.

The International Relations Committee reported the bill by a vote of 32-6 on October 26, 1999.



*Heather Valentine, 226-7860*

# Workplace Goods, Jobs Growth, and Competitiveness Act

## H.R. 2005

Committee on the Judiciary  
H.Rept. 106-410, Pt. I  
Introduced by Mr. Chabot *et al.* on June 7, 1999

### Floor Situation:

The House is expected to consider H.R. 2005 on Thursday, February 3, 2000. The Rules Committee is scheduled to meet on the bill at 1:00 p.m. on Tuesday, February 1. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

### Summary:

H.R. 2005 creates a uniform federal statute of repose—the length of time after which a manufacturer is no longer liable—for lawsuits involving property damage and personal injuries caused by durable goods (*i.e.*, products that are used in trade or business with an expected life of three years or more and subject to depreciation under the Internal Revenue Code). This statute of repose will bar a suit against the manufacturer of such a product for incidents that occur 18 years after it was delivered to its first purchaser. The injured party must be eligible for worker’s compensation for the statute to apply.

The bill’s scope is limited to workplace goods such as machine tools, printing presses, farm equipment, and plastic molding systems—what economists refer to as “capital stock”; planes and automobiles for hire (*e.g.*, rental cars) are not covered. In addition, the measure does not apply to durable goods covered by express warranties that guarantee the safety or life expectancy of a product for more than 18 years. H.R. 2005 operates as a two-way preemption by superceding state laws and replacing them with a uniform federal statute. Currently, 19 states have such statutes on the books, all of which are fewer than 18 years. This bill is nearly identical to the 1994 General Aviation Revitalization Act (GARA; *P.L. 103-298*), which established an 18-year statute of repose for the general aviation industry.

Supporters of H.R. 2005 argue that equipment that was used safely for a substantial amount of time is not likely to have been defective. Bill proponents also assert that the measure is a means of increasing the competitiveness of U.S. manufacturers, whose European and Japanese counterparts enjoy 10-year statutes of repose. Opponents argue that it will harm American workers by denying them adequate compensation for non-economic damage, such as loss of fertility, loss of limb, and other forms of pain and suffering. Moreover, opponents argue, the measure, because it preempts state laws, raises serious constitutional concerns.

**Background:**

Old machinery may appear poorly designed when measured against modern counterparts, even if it was state-of-the-art at the time it was sold. Even the fact that owners may have misused or altered the machine, disabled or removed safety devices, or failed to train workers often does not prove an effective defense for manufacturers at trial. The costs to manufacturers of defending the design of a machine that was produced decades ago are unusually large. The result is a great incentive for manufacturers to settle even weak claims.

Thirty-three percent of those who responded to a 1998 survey conducted by the Association for Manufacturing Technology (AMT) reported having claims filed against them. Only about five percent of the claims made it to trial, about 83 percent of which were won by the manufacturers. For every 100 claims, approximately \$11 million was spent by manufacturers, \$4.5 million of which went for defense costs. Only about \$4 million went to claimants; of that amount, 33 percent was paid to their attorneys. Another 60 percent of these cases were settled, with an average settlement of \$104,700. An 18-year statute of repose would have prevented 42 percent of AMT members' closed and pending cases.

**Costs/Committee Action:**

CBO estimates that enactment will have no significant impact on the federal budget. The bill does not affect direct spending, so pay-as-you-go procedures do not apply.

The Judiciary Committee reported the bill by a vote of 16-14 on September 22, 1999.



*Scott Galupo, 226-2305*